



[Billing Code 3410-EN-P]

## **DEPARTMENT OF AGRICULTURE**

### **Grain Inspection, Packers and Stockyards Administration**

#### **Request for Extension and Revision of a Currently Approved Information Collection**

**AGENCY:** Grain Inspection, Packers and Stockyards Administration, USDA.

**ACTION:** Notice and request for comments.

**SUMMARY:** In accordance with the Paperwork Reduction Act of 1995, this notice announces Grain Inspection, Packers and Stockyards Administration's intention to request that the Office of Management and Budget approve a 3-year extension and revision of a currently approved information collection in support of the reporting and recordkeeping requirements for the Swine Contract Library program.

**DATES:** Written comments must be submitted on or before [Insert date 60 days after date of publication in the Federal Register].

**ADDRESSES:** We invite you to submit comments on this notice. You may submit comments by any of the following methods:

- Internet: Go to <http://www.regulations.gov>. Follow the online instructions for submitting comments.
- Mail, hand deliver, or courier to Dexter Thomas, GIPSA, USDA, 1400 Independence Avenue, SW., Room 2530-S, Washington, DC 20250-3604.
- Fax to (202) 690-2173.

**Instructions:** All comments should refer to the date and page number of this issue of the Federal Register. The information collection package, public comments, and other

documents relating to this action will be available for public inspection in the above office during regular business hours. Please call GIPSA's Management and Budget Services at (202) 720-7486 to arrange a viewing of these documents.

**FOR FURTHER INFORMATION CONTACT:** Catherine M. Grasso, Program Analyst, Policy and Litigation Division at (202) 720-7363 or [catherine.m.grasso@usda.gov](mailto:catherine.m.grasso@usda.gov).

**SUPPLEMENTARY INFORMATION:** The Grain Inspection, Packers and Stockyards Administration (GIPSA) is responsible for maintaining the Swine Contract Library, which is authorized by the Livestock Mandatory Reporting (LMR) Act of 1999, and requires that certain packers submit hog procurement contracts and delivery estimates to GIPSA. The Swine Contract Library was reauthorized by Congress on October 5, 2006 through 2010. On September 28, 2010, the Mandatory Price Reporting Act of 2010 reauthorized LMR for an additional 5 years.

Title: Swine Contract Library.

OMB Number: 0580-0021.

Expiration Date of Approval: March 31, 2013.

Type of Request: Extension and revision of a currently approved information collection.

Abstract: The information collection and recordkeeping requirements for the Swine Contract Library are essential to maintaining the mandatory library of swine marketing contracts and reporting the number of swine contracted for delivery. There are currently 30 packers that are required to file contracts and report certain information on deliveries for a total of 43 plants that they either operate or at which they have swine

slaughtered. We expect the overall number of plants and packers to remain relatively constant, but the specific packers required to report will vary with consolidation and construction in the industry.

Packers are required to report information for individual plants even in instances when a given packer owned or used more than one plant. The information collection burden estimate provided below is based on time and cost requirements at the plant level. Consequently, packers that report for more than one plant would bear a cost that would be a multiple of the per-plant estimates.

We understand from discussions with packers complying with current reporting requirements that reporting packers have adapted pre-existing data and information systems to provide the required information.

There are two types of information collections required for the Swine Contract Library.

The first information collection requirement consists of submitting example contracts. Initially, a packer submits example contracts currently in effect or available for each swine processing plant that is subject to the regulations. Subsequently, a packer submits example contracts for any offered, new, or amended contracts that vary from previously submitted contracts in regard to the base price determination, the application of a ledger or accrual account, carcass merit premium and discount schedules (including the determination of the lean percent or other merits of the carcass that is used to determine the amount of the premiums and discounts and how those premiums and discounts are applied), or the use and amount of noncarcass merit premiums or discounts.

The initial submission of example contracts requires more time than subsequent filings of new contracts or changes, as packers initially need to review all their contracts to identify the unique types that need to be represented by an example submitted to GIPSA.

Thereafter, subsequent filings require a minimal amount of effort on the part of packers, as only example contracts that represent a new or different type need to be filed with GIPSA. P&SP-342 must accompany each contract submission to identify the contract, the plan for which the contract is valid, and the contact person.

The required submission of contracts includes both written and verbal contracts. Packers have added documentation of verbal contracts to their existing recordkeeping systems in order to comply with this requirement. The optional form that is available, but not required, for reporting verbal contracts is used by 10 packers; 2 packers that rely heavily on verbal contracts use this optional form exclusively to document their verbal contracts. Of 1,022 contracts files on file, the optional verbal contract sheet was used to document 245 verbal contracts.

The second information collection requirement is a monthly filing of summary information on form P&SP 341, Monthly Report: Estimates of Swine To Be Delivered Under Contract. The form for the monthly filing is simple and brief. For new packers required to start reporting, this data should be available in the packers' existing record system. Electronic submission is encouraged and we provide the necessary information on procedures to submit data to GIPSA electronically. In 2011, 50 percent of monthly reports were submitted through the website, with the remaining 50 percent submitted by facsimile or mail.

The estimates of time requirements used for the burden estimates below were

developed in consultation with GIPSA personnel knowledgeable of the industry's recordkeeping practices. The estimates also reflect our experience in assembling large amount of data during the course of numerous investigations involving use of data collected from the industry. Estimates of time requirements and hourly wage costs for developing electronic recordkeeping and reporting systems are based on our experience in developing similar systems in consultation with our automated information systems staff.

**(1) Contract Submission Cover Sheet (Form P&SP-342)**

*Estimate of Burden:* Reporting burden for submission of contracts is estimated to include 4 hours per plant for an initial review of all contracts to categorize them into types and identify unique examples, plus an additional 0.25 hours per unique contract identified during the initial review to submit an example of that contract. After the initial filing, the reporting burden is estimated to include 0.25 hours per plant to submit an example of each new or amended contract.

*Respondents:* Packers required to report information for the Swine Contract Library.

*Estimated Number of Respondents:* 30 packers (total of 43 plants).

*Estimated Number of Responses per Plant:* Number of responses per plant varies. Some plants would have no contracts, while other could have up to 80 contracts. We receive an average of six example contracts per plant per year for offered contracts and for amended existing or available contracts.

*Estimated Total Annual Burden on Respondents:* Initial filing: 5.5 total hours for the initial filing of examples of existing contracts by all plants newly subject to the

regulations combined. Based on changes in the industry, we anticipate one new plant to become subject to the regulations each year. Calculated as follows: 4 hours per plant for initial review x 1 new plant = 4 hours for initial review; 0.25 hours per contract x 6 example contracts per plant x 1 new plant = 1.5 hours; 4 hours + 1.5 hours = 5.5 total hours.

Thereafter, 64.5 total hours annually for all subsequent filing of examples for offered contracts and for amended existing or available contracts by all plants combines, based on an average of 6 offered or amended existing or available contracts annually. Calculated as follows: 0.25 hours per contract x 6 example contracts per plant x 43 plants = 64.5 hours.

Total Cost: Initial filing \$138 for all plants combined. Calculated as follows: 5.5 hours x \$25 per hour = \$138

Thereafter, \$1,613 annually for all plants combined for submission of subsequent filings. Calculated as follows: 64.5 hours x \$25 per hour = \$1,613

**(2) Monthly Report: Estimate Of Swine To Be Delivered Under Contract (Form P&SP-341)**

*Estimate of Burden:* The reporting burden for compiling data, completing and submitting the form is estimated to average 2 hours per manually prepared and submitted (by mail or facsimile) report and 1 hour per electronically prepared and submitted report. There would be an estimated additional one-time set up burden of 1 hour at a cost of \$60 per plant for a packer that chose to create a spreadsheet or database for recordkeeping and preparation of monthly estimates. There would be an estimated additional 2 hour burden

at a cost of \$60 per hour or \$120 per plant for a packer to develop procedures to extract and format the required information and to develop an interface between the packer's electronic recordkeeping system and GIPSA's system. The hourly rate for the development of electronic tools is assumed to be high due to the need to use personnel with specialized computer skills.

*Respondents:* Packers required to report information for the Swine Contract Library.

*Estimated Number of Respondents:* 30 packers (total of 43 plants).

*Estimated Number of Responses per Plant:* 12 (1 per month for 12 months).

*Estimated Total Annual Burden on Respondents:* 1,032 hours for all plants combined provided all plants used manual compiling, preparation, and submission. Calculated as follows: 2 hours per response x 43 plants x 12 responses per plant = 1,032 hours for all plants combined provided all plants use electronic compiling, preparation, and submission. Calculated as follows: 1 hour per response x 43 plants x 12 responses per plant = 516 hours.

Total Cost: \$25,800 annually for all plants combined provided all use manual submission. Calculated as follows: 1,032 x \$25 per hour = \$25,800

\$12,900 annually for all plants combined provided all were to completely utilize electronic preparation and submission. Calculated as follows: 516 hours x \$25 per hour = \$12,900

Additional \$180 one-time set-up cost provided all plants newly subject to the Regulations were to completely utilize electronic systems for preparation and submission.

Calculated as follows: 1 hour build spreadsheet/database + 2 hours develop electronic interface = 3 hours. 3 hours total development x \$60 per hour x 1 new plant = \$180

The Paperwork Reduction Act also requires GIPSA to measure the recordkeeping burden. Under the Packers and Stockyards Act and its existing regulations, each packer is

required to maintain and make available upon request any records necessary to verify information on all transactions between the packer and producers from whom the packer obtains swine for slaughter. Records that packers are required to maintain under existing regulations would meet the requirements for verifying the accuracy of information required to be reported for the Swine Contract Library. These records include original contracts, agreements, receipts, schedules, and other records associated with any transaction related to the purchase, pricing, and delivery of swine for slaughter under the terms of marketing contracts. Additional annual costs of maintaining records would be nominal since packers are required to store and maintain such records as a matter of normal business practice and in conformity with existing regulations.

As required by the Paperwork Reduction Act (44 U.S.C. 3506(c)(2)(A)) and its implementing regulations (5 CFR 1320.8(d)(1)), we specifically request comment to:

(a) Evaluate the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(b) Evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used;



(c) Enhance the quality, utility, and clarity of the information to be collected; and

(d) Minimize the burden on the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology.

All responses to this notice will be summarized and included in the request for the Office of Management and Budget approval. All comments will also become a matter of public record.

Authority: 44 U.S.C. 3506 and 5 CFR 1320.8.

---

Larry Mitchell,  
Administrator,  
Grain Inspection, Packers and Stockyards Administration.

[FR Doc. 2012-26723 Filed 10/29/2012 at 8:45 am; Publication Date: 10/30/2012]